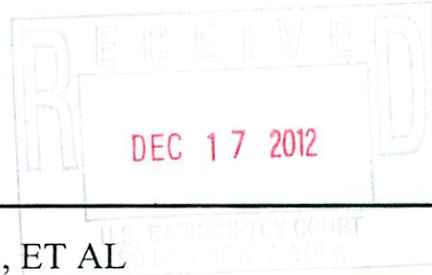


UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK



In Re: LEHMAN BROTHERS HOLDINGS, INC, ET AL

Debtor

Case 08-13555 (JMP)

RESPONSE OF WILLIAM KUNTZ,III TO REPLY OF US BANK

William Kuntz, III who appears here Pro Se, respectfully submits the following:

With all due respect to Attorney Hiersteiner, despite the considerable time spent in the bankruptcy courts, as indicated by his professional profile, he barely has a clue as it also appears does his client as to what is really going on with respect to Grand Union.

What Mr. Hiersteiner does not say, was that back in 1995 or thereabouts in the First Grand Union CH 11, in what is mentioned as a Oral Modification made in Open Court before Judge Walsh and accepted without Objection was that Kuntz did not accept the exchange offer and it was clearly stated that the Indenture was not cancelled, etc.

What Mr Hiersteiner, in a bit of ill-logic tries to portray, is that the language of the Stipulation and Orders of Judge Winfield somehow refers to the replacement not the Original \$892,000 Note which was exchanged in Error. Nor does Mr Hiersteiner even address the other US Bank /First Trust Note which has a Face Amount of \$1,000,000 and remains in Kuntz's Name. Docket 31660/32398 pg 28
EXHIBIT 1

Mr. Hiersteiner further ignores the simple fact that the Grand Union Capital Corp is not the Grand Union Company and that while Grand Union Capital did enter Bankruptcy in Delaware, that Case was dismissed without any Plan ever being either proposed or confirmed.

[See Grand Union Capital Corp Delaware 95-130 (PJW) Docket # 201 Order Dismissing Ch 11 Case 3/27/96]

Further, as also overlooked by Mr. Hiersteiner, on page 4 of Exhibit G of Weil, Gotshal's Objection to my proofs of claim in a letter to Judge Winfield Morris Bauer sets forth the position of Kuntz in Delaware. Docket 11351

During the course of the Delaware Case, and more particularly at the confirmation hearing, Kuntz objected to the Settlement and upon information and belief was desirous of continuing to hold the Kuntz Notes. At the confirmation hearing in respect of the Grand Union I Plan, attorneys for Grand Union represented to Judge Walsh that the Grand Union I Plan was intended to only cancel the Zero Notes of Noteholders that consented to the Settlement. As a result thereof, to this day, Kuntz continues to hold Senior Zero Notes in Capital, although Capital has long since been dissolved.

Accordingly almost everything said by Mr Hiersteiner is based upon his Incorrect Information. The fact that US Bank hopes it is still not the Indenture Trustee is wishful thinking.

Accordingly, It is only proper and just that the US Bank award, be deposited with The Clerk of the Court.

Respectfully,


William Kuntz, III

India St PO Box 1801 Nantucket Island, Mass 02554-1801

Westport, NY 518-963-4177

072-771214

72.7712H

REGISTERED

This Security has original issue discount for Federal income tax purposes, determined pursuant to Sections 1272 through 1275 of the Internal Revenue Code of 1986, as amended, and the proposed Treasury Regulations promulgated thereunder, in the amount of \$1,411.38 per \$1,000 face amount of this Security. The Security was issued on July 22, 1992, and has a yield to maturity (inclusive of cash interest) of 15.74%, calculated using the approximate method. The amount of original issue discount allocable to the short initial accrual period is \$25.61 per \$1,000 face amount, determined on the basis of the approximate method.

REGISTERED

No. R-000804

\$ 1,000,000.00

CUSIP 384577 AC9

GRAND UNION CAPITAL CORPORATION
15.00% Series A Senior Zero Coupon Notes due 2004

GRAND UNION CAPITAL CORPORATION, a corporation organized and existing under the laws of the State of Delaware, promises to pay to

WILLIAM KUNTZ
DRAWER B
FEDERAL BLDG
DAYTON OH 45402-1430

or registered assignee, the principal sum of

ONE MILLION**

on July 15, 2004, at par plus interest.

Interest Payment Dates: January 15 and July 15
Record Dates: December 31 and June 30

IF WITHHELD UNLESS GRAND UNION CAPITAL CORPORATION has received the payment to be indicated in its corporate notes by the manual or facsimile signature of its President or a Vice President and attested by its Secretary or its Assistant Secretary.

Date: 05/30/95

CERTIFICATE OF AUTHENTICATION:
This is a copy of the 15.00% Series A Senior Zero Coupon Notes due 2004
issued under the authority of the Board of Directors of
FIRST TRUST NATIONAL ASSOCIATION, AS TRUSTEE.

First Trust National Association, as Trustee
Mark A. Hark
Secretary

First Trust National Association, as Trustee
Mark A. Hark
Secretary

GRAND UNION CAPITAL CORPORATION
Mark A. Hark
Secretary